



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 11, 2008

S. 901 **Health Care Safety Net Act of 2007**

*As reported by the Senate Committee on Health, Education, Labor, and Pensions
on December 18, 2007*

SUMMARY

S. 901 would amend the Public Health Service Act to authorize programs that provide funding for community health centers, the National Health Service Corps, and certain rural health programs administered by the Health Resources and Services Administration.

The bill would authorize the appropriation of \$2.4 billion for 2008 and \$15.1 billion over the 2008-2012 period. However, \$2.2 billion has already been appropriated for those activities for 2008. Thus, S. 901 would authorize the appropriation of an additional \$0.2 billion for fiscal year 2008 and \$12.9 billion over the 2008-2012 period.

CBO estimates that implementing the bill would cost \$94 million in 2008, \$1.5 billion in 2009, and \$12.5 billion over the 2008-2013 period, assuming the appropriation of the authorized amounts. S. 901 would not affect direct spending or revenues.

S. 901 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 901 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

By Fiscal Year, in Millions of Dollars						
	2008	2009	2010	2011	2012	2013
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law						
Community Health Centers						
Budget Authority	2,022	0	0	0	0	0
Estimated Outlays	2,035	989	231	0	0	0
National Health Service Corps	123	0	0	0	0	0
Budget Authority	122	62	10	0	0	0
Estimated Outlays						
Rural Health Outreach Grants	48	0	0	0	0	0
Budget Authority	47	20	2	0	0	0
Estimated Outlays						
Total						
Budget Authority	2,193	0	0	0	0	0
Estimated Outlays	2,204	1,071	243	0	0	0
Proposed Changes						
Community Health Centers						
Authorization Level	191	2,451	2,758	3,116	3,537	0
Estimated Outlays	90	1,383	2,505	2,883	3,266	1,579
National Health Service Corps						
Authorization Level	8	143	156	170	186	0
Estimated Outlays	4	79	144	160	175	83
Rural Health Outreach Grants						
Authorization Level	0	45	45	45	45	0
Estimated Outlays	0	24	43	44	44	20
Total Changes						
Authorization Level	199	2,639	2,959	3,331	3,768	0
Estimated Outlays	94	1,486	2,692	3,087	3,485	1,682
						Continued

Continued

	By Fiscal Year, in Millions of Dollars					
	2008	2009	2010	2011	2012	2013
Estimated Spending Under S. 901						
Community Health Centers						
Authorization Level	2,213	2,451	2,758	3,116	3,537	0
Estimated Outlays	2,125	2,372	2,736	2,883	3,266	1,579
National Health Service Corps						
Authorization Level	131	143	156	170	186	0
Estimated Outlays	126	141	154	160	175	83
Rural Health Outreach Grants						
Authorization Level	48	45	45	45	45	0
Estimated Outlays	47	44	45	44	44	20
Total Spending						
Authorization Level	2,392	2,639	2,959	3,331	3,768	0
Estimated Outlays	2,298	2,557	2,935	3,087	3,485	1,682

Note: Components may not add to totals because of rounding.

BASIS OF ESTIMATE

S. 901 would authorize three programs that provide funding for health programs in rural and medically underserved areas. In total, the bill would authorize the appropriation of \$2.4 billion for 2008 and \$15.1 billion over the 2008-2012 period. The Omnibus Appropriations Act (Public Law 110-161) appropriated \$2.2 billion in 2008 for those activities. Thus, S. 901 would authorize the appropriation of an additional \$199 million for fiscal year 2008 and \$12.9 billion over the 2008-2012 period.

Based on historical patterns of spending for those programs, and assuming the appropriation of the authorized amounts, CBO estimates that implementing the bill would cost \$94 million in 2008, \$1.5 billion in 2009, and \$12.5 billion over the 2008-2013 period.

Community health centers are community-based and patient-directed organizations that serve populations with limited access to primary health care services. S. 901 would authorize the appropriation of \$2.2 billion for 2008 (an increase of \$191 million over the current appropriation), and \$11.9 billion over the 2009-2012 period. Assuming the appropriation of the additional funds for 2008 in the spring, and the appropriation of the authorized amounts in subsequent years, CBO estimates that spending for the community health center program

from the funds authorized by this bill would total \$90 million in 2008 and \$11.7 billion over the 2008-2013 period.

The National Health Service Corps operates loan repayment and scholarship programs for clinicians who provide primary care services in medically underserved areas. S. 901 would authorize the appropriation of \$132 million for 2008 (an increase of \$8 million over the current appropriation), and \$655 million over the 2009-2012 period. Assuming the appropriation of the additional funds for 2008 in the spring, and the appropriation of the authorized amounts in subsequent years, CBO estimates that spending for the National Health Service Corps program from the funds authorized by this bill would total \$4 million in 2008 and \$645 million over the 2008-2013 period.

The rural health care services outreach, network and quality improvement program provides grants for activities to increase access to primary health care services in rural areas; help rural health care providers develop community-based, integrated systems of care; and improve the quality of health care for certain chronic diseases. The bill would authorize the appropriation of \$45 million a year for fiscal years 2008 through 2012. The amount authorized for 2008 is less than the \$48 million appropriated for 2008. Therefore, the estimate assumes that enacting S. 901 would have no effect on funding for 2008. Assuming the appropriation of the amounts authorized for fiscal years 2009 through 2012, CBO estimates that spending for rural health outreach grants from the funds authorized by this bill would total \$175 million over the 2008-2013 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 901 contains no intergovernmental or private-sector mandates as defined in UMRA. Funds authorized in the bill would benefit local governments that participate in community and rural health programs.

ESTIMATE PREPARED BY:

Federal Costs: Lara Robillard

Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum

Impact on the Private Sector: Patrick Bernhardt

ESTIMATE APPROVED BY:

Keith J. Fontenot

Deputy Assistant Director for Health and Human Resources,
Budget Analysis Division